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BILL ANALYSIS



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Senate Bill 1195 (as introduced 3-11-08)
Sponsor: Senator Gerald Van Woerkom
Committee: Agriculture

Date Completed: 6-17-08

CONTENT

The bill would amend the Michigan Strategic Fund Act to replace the technology transfer program with a technology transfer acceleration program that would focus on the bioeconomy.

The Act requires the Michigan Strategic Fund to create and operate a program to assist institutions of higher education with university technology transfer, including the transfer of competitive edge technology to the private sector for commercialization.

The bill instead would require the program to accelerate technology transfer from Michigan's institutions of higher education to the private sector for commercialization, with a specific focus on technologies that would accelerate and solidify the bioeconomy. The technology transfer acceleration program would have to facilitate the following:

- Bundling of inventions from individual institutions of higher education into packages that could be of interest to private sector firms for commercialization opportunities.
- Expansion of business formation efforts in institution higher education technology transfer offices to increase the number of institution of higher education-related start-up companies.
- Incentives for faculty who participate in technology transfer and commercialization activities.

MCL 125.2088o

Legislative Analyst: Curtis Walker

FISCAL IMPACT

The bill would alter the existing technology transfer program requirement created as part of the 21st Century Jobs Trust Fund program to concentrate on technologies in the bioeconomy and would require the program to include several specific strategies. These changes would increase the responsibilities of the Michigan Strategic Fund (MSF) and Michigan Economic Development Corporation, which provides staff to the MSF.

Public Act 225 of 2005 included a \$2.0 million appropriation for university technology transfer; however, when the funding for the 21st Century Jobs Trust Fund programs was reduced by \$50.0 million in FY 2006-07 due to a transfer of \$50.0 million from the 21st Century Jobs Trust Fund to the General Fund, the university technology transfer earmark was not funded.

Funding for this program would be allocated from the 21st Century Jobs Trust Fund program. This program received an appropriation of \$75.0 million in FY 2007-08. The statute and the appropriations bill for this program include a number of earmarks totaling \$56.9 million. They include \$30.0 million for Competitive Edge Technology Grants and Loans, \$3.0 for administration, \$3,750,000 for Business Development and Marketing, and \$1.4 million for the Small Business Technology Development Centers to administer the Small Business Innovation Research/Small Business Technology Transfer (SBIR/STTR) Federal matching grant programs. The MSF board also has allocated \$18,750,000 for the Choose Michigan Fund, a new loan enhancement program that is required to include the Michigan Film and Digital Media Investment Loan Program pursuant to Public Act 80 of 2008, part of the film industry package. The unallocated balance of the \$75.0 million appropriation is \$18.1 million. The Michigan Economic Development Corporation has proposed using these funds for the Centers of Excellence Program, which would provide grants to companies that collaborate with universities to commercialize alternative energy technology. Statutory changes would be needed to authorize this program.

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